



LEPELLE - NKUMPI LOCAL MUNICIPALITY

2017/2018 STRATEGIC RISK PROFILE

No	Strategic Objective	Risks/Threat	Risk	Cause	Consequence	Inherent Risk			Inherent Risk	Current control	Control Effectiveness		Residual Risk	Mitigation measure	Budget	Risk owner	Time Frame	
			Category			Impact	Likelihood											
1	To enhance financial viability and management	Inadequate revenue collection	Financial Risk	Outstanding Debts	Municipality may not be financially sustainable.	Critical	5	Common	5	25	Billing for municipal services	Unsatisfactory	90%	23	Conduct roadshows/ Awareness campaigns.	Not Applicable	CFO	Quarterly
				Revenue Management Strategy not fully implemented	Downgrading of the Municipality						Credit control policy				Review Implementation of Revenue Enhancement Strategy	Not Applicable	CFO	End of 1st quarter 2017/18
				Lack of Revenue sources	Inability to render services.						DORA - Conditional Grants				Full implementation of all revenue related policies	Not Applicable	CFO	Quarterly
				Inaccurate Billing of property rates contrary to the landuse	Community dissatisfaction						Approved Valuation roll				On going inspection by landuse officer to ensure correct usage of the properties	R 1m	Executive Manager Planning & LED	Ongoing
				The SLA between the district and municipality has been reviewed(no longer getting 100% commission)	Inability to fund our own projects. Unauthorised expenditure						Approved Tarrifs				Exploring of alternative revenue base		All Executive Managers	

2	To enhance financial viability and management	Inability to access funding from potential donors/ investors	Financial & Governance Risk	Material underspending on conditional grants	Sustainability of the municipality in the future.	Critical	5	Common	5	25	Monitoring and Implementation of AGSA Action Plan	Unsatisfactory	90%	23	To enforce consequence Management.		All Executive Managers	Quarterly
				Continuous Acting on Strategic posts	Inability to provide services to the community.						Functional Risk, Audit Committee in place.				Filling of Critical Posts (MM)	Not Applicable	All Executive Managers	Quarterly
				Poor infrastructure(Roads, electricity, water, sewage)	Bad Reputation						LED strategy				Improve core service base.	Not Applicable	All Executive Managers	Daily
3	To enhance financial viability and management	Fraud and Corruption	Fraud risk	Inadequate internal controls	Irregular expenditure.	Critical	5	Common	5	25	SCM policy. SCM Regulation.	Unsatisfactory	90%	23	SCM Training of bid committee and SCM officials on the application of SCM laws and regulations	Not Applicable	All Executive Managers	Annually
				Lack of segregation of duties due to shortage of staff at SCM														
					Loss of Funds						District, Provincial and Presidential Hotlines.							

				Collusion between suppliers and municipal officials	Unfair and unequitable SCM processes. Substandard work by appointed service providers Bad reputation Litigation										Electronic SCM System and Centralised Suppliers Database developed by National Treasury			Enforcement of consequence management	Not Applicable	CFO	1 July 2017 and Ongoing	
																Anti-fraud and corruption policy			Implementmtnation of anti-fraud and corruption strategy			Ongoing
																Segregation of duties among SCM practitioners.			Capacitate the SCM unit through additional staff.	Not Applicable	CFO	Ongoing
4	Provision of basic services	Business Instability due to Disaster	ICT	Lack of Business Continuity Plan	Inability to provide services in case of disaster	Critical	5	Common	5	25	ICT Disaster recovery plan	Unsatisfactory	90%	23	Development of Business Continuity plan.		Municipal Manager	Jun-18				
5	Provide strategic leadership	Administrative instability	Strategic risk	Delay in filling of critical positions	Inability to achieve IDP objectives.	Critical	5	Common	5	25	Appointment of acting personnel in vacant positions	Weak	80%	20	Filling of all critical positions			Jul-18				
				Lack of organisational culture											Review HR policies and strengthen Labour Forums			Jun-18				
				High staff turnover on key personnel							Reviewed organisational structure				Funding and filling the positions			Jun-18				
											Retention strategy				Review and implement the Retention strategy			Jun-18				

6	To provide sustainable basic services and infrastructure development	Illegal Land occupation and Use	Reputational Risk/ Financial	Disputes on Ownership of Land	Litigations Compromised stakeholder relations Unavailability of sites for development	Critical	5	Common	5	25	Court Order	Unsatisfactory	90%	23	COGSTA and Rural Development to intervene	None	Executive Manager Planning & LED	Jun-18
				Unavailability of developed sites for occupation	Loss of Revenue						Spatial Development Plan				Partnership with Stakeholders. Servicing of sites	Executive Manager Planning & LED	Jun-18	
7	Recruitment and retention of competent human capital	Labour Unrest	Strategic risk	Labour disputes due to the delay of implementation of placement of employees	Inability to meet Municipal Objectives. Reputational Risk. Community Protests due to services not provided. Damage to property. Possible Loss of	Critical	5	Common	5	25	Reviewed Organogram Approved redeployment and Placement policy. Functional Local labour forum	Unsatisfactory	90%	23	Expedite the implementation of placement process Submission of job discriptions for grading to SALGA	None	Municipal Manager & Executive Manager Corporate Services	Jun-18
8	Periodically monitor and asses the institutional performance	Lack of organisational performancce and evaluation	Compliance	PMS not cascaded to lower level within the Municipality due to unavailability of signed municipality	Inaccurate reporting due to lack quality assurance. Low staff morale	Critical	5	Common	5	25	Approved PMS policy in place Job descriptions available	Unsatisfactory	90%	23	Filling of the newly created positions	None	Executive Manager Corporate Services	Immediately after the finalization of job Evaluation
				Shortage of staff in PMS Unit	PMS not effectively managed which result to poor performance.						Reviewed Organisational structure							

9	Improve communications systems in the municipality	Leaking of confidential information	Raputational Risk	Non adherence to code of ethics Unprofessionalism Lack of discipline	Litigations and Bad reputation	Critical	5	Common	5	25	Code of conduct Oath of secrecy Approved PAIA manual	Unsatisfactory	90%	23	Enforcement of consequence management	N/A	Municipal Manager & Executive Manager Corporate Services	on-going
10	To Improve Access to Waste Management Services	Inadequate Provision of integrated waste management services to unserviced areas	Strategic risk	Limited Human Capacity and Equipment Poor delivery of basic services Community health safety is compromised due to illegal dumping. Negative impact on Enviornmental resources.		Critical	5	Common	5	25	Waste Collected in Lebowakgomo and 4 Villages. Skip Bins. Waste Management Fleet. Licensed Waste disposal site. Integrated Waste Management Plan (IWMP) Litter Picking.	Satisfactory	65%	16	Extension of waste collection services to unserviced areas through internal and external delivery mechanism.		Executive Manager Community Services	30-Jun-18
	To enhance financial viability and management	Inadequate management of PPE/ incomplete asset register	Finance	Properties in the municipality in valuation roll but not in the name of the municipality in the Deeds office. Bad Audit opinion. Reputation		Critical	5	Common	5	25	Valuation roll	Unsatisfactory	90%	23	To register all the properties in the name of the municipality at the deeds office.		Executive manager Planning and CFO	30-Jun-18

	To enhance financial viability and management	Non-compliance with SCM	Finance	Lack of Storage Facilities Excessive Deviations and urgent requisitions	Irregular expenditure. Negative Audit Outcome Bad reputation	Critical	5	Common	5	25	Supply Database System Financial System Bid Committees	Unsatisfactory	90%	23	Adherence to SCM Legislitions and processes Procurement of a new MSCOA compliant system adherence to the procurement timeframes	N/A	All SCM role players	on-going
	To enhance financial viability and management	Excessive Legal fees	Compliance	prolonging pending legal cases Non recovery of our legal costs to reimburse the legal fees incurred	Financial Loss	Critical	5	Common	5	25	Pannel of Attorneys appointed in terms of the bidded tariffs.	Unsatisfactory	90%	23	Continuous monitoring of the compliance with the bidded tariffs. The municipality is developing a new panel with a service of recovery of legal costs.	Not Applicable	Executive Manager Corporate Services	on-going 31 December 2017
	Improve communications systems in the municipality	Continuous disruption of network connectivity	ITC Risk	Ineffective and Effecient network connectivity	Inability to provide service which lead to Poor performance	Critical	5	Common	5	25	Masters System Plan and IT Strategy	Unsatisfactory	90%	23	Investigate the root cause for continous disruption of network connectivity and address the root caus as per the outcome of the investigation	Not Applicable	Executive Manager Corporate Services	By September 2017
	Monitor financial performance of the institution	Non Compliance to MSCOA Regulation	Financial risk	Ineffective MSCOA committee	Delays in implementation of MSCOA Plan	Critical	5	Common	5	25	None	Satisfactory	65%	16	Monitoring of progress on implementation of MSCOA Plan by the Committee	Not Applicable	MSCOA Committee	Quarterly
				Non Implementation of the MSCOA Plan	Withdrawal of funds by National Treasury						MSCOA Implementation plan				Implement MSCOA Implementation Plan	Not Applicable	CFO	As per Implementation plan dates

Compiled by: Risk Managemt	Signature:
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Recommended by: Risk Management Committee	Signature:
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Approved by: Municipal Manager	Signature:
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